

Mr. Chairman and Members of the committee

My name is Mark Grotbo. I'm presently the General Manager for Marias River Electric Cooperative and Shelby Gas Association with our office located in Shelby, Montana.

I'm here today as I strongly oppose HB477 and the ramifications to the Members of the two Cooperatives that I represent.

This bill would shift the liability and responsibility from consumers who don't pay their bill or don't want to take responsibility of their property over to the vast majority of my consumers who do pay their bills timely or the owners who have signed landlord agreements.

Presently at Marias River and Shelby Gas we have what we internally refer to as a landlord agreement. This is where the power or gas account will not be turned off but will roll into the name of the landlord or owner if the property is up for disconnect or the tenant asks for it to be turned off. This is especially beneficial in the colder weather. This minimizes the stress and risk to both the owner and the utility.

Today at my Cooperative if a realtor or a person comes for utility information in regard to a rental unit, we give them the average bill plus the high and low bill from the previous year. If they are able to have the present tenant or person paying the bill give us the go ahead, we will then print off and give them the exact monthly bills for the past couple of years. We also don't want there to be surprises of what to expect for their utility payments.

With HB477 I don't know how to maintain the privacy of the person living in a rental when they get behind on a bill which is scheduled for disconnect but then still give a five day notice to the landlord prior to it being shutting off. If an owner takes responsibility for their property and has a landlord agreement this is a non issue. If they don't take responsibility with the agreement but the utility is still required to give a five days notice without consent from the existing tenants, the Cooperative either violates the tenant's privacy or we don't have someone responsible for the usage of those five days. This usage would ultimately be paid by all the other consumers.

As just stated, this bill requires the utility to give five days written notice to the designated third party prior to being disconnected. At my Cooperatives we frequently aren't given five days notice when a tenant plans to move out of a property. We try our level best especially in colder weather and usually are successful to contact who we "think" is the landlord. If we aren't given five days, it isn't possible to give five days written notice. However, if the utility is required to continue services to meet a five day written notice, this just means the majority of the consumers pay for the lack of the owner accepting responsibility of their property.

At Shelby Gas Association and Marias River Electric Cooperative we operate with a very small staff. This bill would force my limited staff to attempt to track the ownership of rentals and apartment complexes that we serve. In the bill there are no provisions of accountability or responsibility placed on the landlords or owners to notify the utility when changes occur. This attempt to track ownership is an additional expense.

If the ownership is not tracked successfully even if we haven't been notified, the costs could be large and are not defined. The bill is extremely vague on what are referred to as "entire" costs when calculating damages. This bill would transfer 100% of the liability of unspecified costs to my Cooperative's members and away from the owner or landlord. Ironically the owner/landlord is the only one who can totally make sure a property is not disconnected by placing the account in their name or signing a landlord agreement. As written this has the potential to be very costly to the rest of my membership.

Today at my Cooperatives we have the flexibility to do what works for the members/consumers that we serve. There is always a notification on all past due bills stating they will be disconnected if not paid by a specific date. We now have and utilize the flexibility to send letters a week to 10 days prior, make phone calls, or hang notifications on the doorknobs. We know our Membership and utilize what works. The person living at a residence always knows the date they will be disconnected if payment or payment arrangements have not been made. It is never a surprise.

To conclude, presently at Marias River Electric Cooperative or Shelby Gas Association we do not have a problem. We work with our existing and new

members along with realtors to let them know what to expect when putting the utilities in their name. We now have the flexibility and do our utmost at notifying both the tenant and owners of the property prior to a property being disconnected. Today at Marias River or Shelby Gas if a rental or apartment is presently disconnected and the owner is not notified, the only reason would be a failure of the landlord or property manager to inform us that they are the owner. I'm asking on behalf of my membership; please don't fix something that isn't broken. Do not pass HB477.